



OFFICE OF
INSURANCE COMMISSIONER

5295 03/20/06 \$20,000.00 ✓

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| In the Matter of: |) | No. D06-141 |
| |) | |
| ACA FINANCIAL GUARANTY |) | CONSENT ORDER |
| CORPORATION, |) | IMPOSING A FINE |
| |) | |
| An Authorized Insurer. |) | |
| _____ |) | |

Findings of Fact:

1. ACA Financial Guaranty Corporation ("ACA Financial") is authorized to conduct insurance business in Washington State. It issues surety insurance.
2. ACA Financial electronically filed its 2004 annual statement and April supplemental filing with the Office of the Insurance Commissioner ("OIC") on August 23, 2005.
3. RCW 48.05.250 requires that insurers submit an annual statement of the preceding year to the OIC before the first day of March of the following year. April supplemental filings are due by the first day of April of the following year. The statute permits the Commissioner to revoke or suspend the insurer's certificate of authority for failure to so submit.
4. RCW 48.05.185 permits the Commissioner to levy a fine in addition to or in lieu of revocation or suspension of an insurer's certificate of authority.
5. Washington Administrative Code § 284-07-050(2) requires an insurer's annual statement and supplemental filings to be executed and submitted in accordance with the appropriate *Annual Statement Instructions* and *Accounting Practices and Procedures Manuals* promulgated by the National Association of Insurance Commissioners.
6. ACA Financial failed to timely file its 2004 annual statement and 2004 April supplemental filing.

Conclusion of Law:

ACA Financial's failure to timely file its 2004 annual statement and 2004 April supplemental filing with the OIC constitutes two violations of RCW 48.05.250.

Consent to Order:

ACA Financial consents to the following, in order to resolve this matter without further administrative or judicial proceedings and the Insurance Commissioner consents to resolve this matter in consideration of the insurer's payment of a fine as set forth below.

1. ACA Financial consents to entry of the foregoing Findings of Fact and Conclusions of Law, and acknowledges its duty to comply fully with the applicable laws of the State of Washington, and waive further administrative or legal challenge to the actions taken, or to be taken, by the Insurance Commissioner related to the subject matter of this order.
2. Within thirty days of entry of this Order, ACA Financial will pay to the OIC a fine in the amount of \$20,000 (twenty thousand dollars).
3. If the fine is not timely paid in full, this will constitute grounds for the suspension or revocation of the certificate of authority held by ACA Financial in the State of Washington. It will also result in a civil action being filed by the Attorney General on behalf of the Insurance Commissioner, to recover the amount of the fine.

Executed this 7th day of March, 2006.

ACA FINANCIAL GUARANTY CORPORATION

By: 

Printed Name: Norra J. Dahlman

Printed Corporate Title: General Counsel

Order:

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner orders as follows:

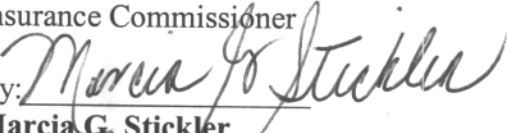
1. ACA Financial Guaranty Corporation is ordered to pay, within thirty days of the entry of this Order, a fine in the amount of \$20,000 (twenty thousand dollars).
2. Failure to timely pay the fine shall constitute grounds for suspension or revocation of the certificate of authority held by ACA Financial Guaranty Corporation in Washington State. It

will also result in a civil action being brought by the Attorney General on behalf of the Insurance Commissioner, to collect the fine.

Executed this 23rd day of March, 2006

MIKE KREIDLER
Insurance Commissioner

By:


Marcia G. Stickler
Legal Affairs Division